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**ARIZONA CORPORATION COMMISSION****SANDRA D. KENNEDY**

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May 3, 2019

RE: IN THE MATTER OF THE RATE REVIEW AND EXAMINATION OF THE BOOKS AND RECORDS OF ARIZONA PUBLIC SERVICE COMPANY AND ITS AFFILIATES, SUBSIDIARIES AND PINNACLE WEST CORPORATION. (DOCKET NO. E-01345A-19-0003)

Dear Chairman Burns:

I read with interest the Pinnacle West press release reporting hefty first-quarter profits of more than \$17 million — nearly six times higher than last year at this time. I was stunned by the increase in profits. Pinnacle West attributed this profit increase to cold weather, a 1.9 percent increase in customer growth, and lower operation and maintenance expenses.

During the earnings call, Pinnacle West indicated that APS would be filing a rate case June 1, 2020. Pursuant to Section 15 of the Settlement Agreement approved in Decision No. 76295, APS agreed not to file a new general rate case prior to June 1, 2019. While Commission Staff has committed to provide a report of its rate review by May 30, 2019, I am concerned about the limited nature of a rate review. I believe the most prudent course of action would be to have APS file a rate case as soon as possible. I assume that APS has provided Commission Staff with most of the necessary information that would be required in a rate case, in the rate review docket, it should not be that difficult for APS to file a rate case this year.

To that end, I would request that an item be placed on the May Staff Meeting to discuss requiring APS to file a rate case as soon as possible, using a June 30, 2019 test year.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sandra D. Kennedy".

Sandra D. Kennedy  
Commissioner

On this 3rd day of May, 2019, the foregoing document was filed with Docket Control as a Correspondence from Commissioner, and copies of the foregoing were mailed on behalf of Sandra D. Kennedy, Commissioner – A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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